AGENDA
CITY COUNCIL - SPECIAL MEETING & WORK SESSION
TUESDAY, AUGUST 4, 2020
1371 WEST FM 550 - MCLENDON-CHISHOLM, TEXAS 75032
6:00 PM

Page

1. CALL SPECIAL MEETING TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

3. RULES OF DECORUM

4. CITIZEN COMMENTS

5.

Items for Consideration

3 - 10 5.1. Discussion and action regarding approving the contract with AG/CM for project management consulting services as related to the fire station project.
Project Management Consulting Services Contract

6. ADJOURN SPECIAL MEETING

7.

Call Work Session to Order

11 - 57 7.1. Discuss Fiscal Year 2020-2021 proposed budget, tax rate and related matters.
MC 2021 Budget Worksheet #5
MC 2021 Payroll Projection rev 1
Various Rate Scenarios

RCAD - TNT CALCULATIONS 2020 #2
Altura Purchasing Office Update
TMRS General Info
TMRS Rate Change Study 5% Projections
TMRS Rate Change Study 6% Projection
TMRS Rate Change Study 7% Projections

8. ADJOURN WORK SESSION

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Rochelle Green, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted on or before 6:00 p.m., July 31, 2020 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.

McLendon-Chisholm Project Management Services
McLendon-Chisholm, Texas

PROJECT MANAGEMENT CONSULTING SERVICES CONTRACT

BETWEEN THE CITY OF MCLENDON-CHISHOLM

AND

AG|CM, INC.

This Agreement is made by and between the City of McLendon-Chisholm, hereinafter referred to by name, or as the "Owner", and **AG|CM, Inc.**, a Texas corporation, hereinafter referred to by name, or as the "Project Manager", collectively referred to as the "Parties." The Project is defined as follows:

New Fire Station #1

In consideration of the mutual promises set forth below, the Parties agree as follows:

1. RECITALS

The Project Manager shall be the Owner's representative in providing the services described in this Agreement. The Project Manager and the Owner shall perform all duties as stated in this Agreement.

In respect to such work or services, the Parties agree as follows:

2. TERM OF AGREEMENT

This Agreement shall be effective upon execution of this document by the Parties and ends upon final payment to the Project Manager. This Agreement may be extended for additional time periods subject to mutual approval by both Parties. This Agreement shall remain in full force and effect during the above referenced time period unless properly terminated by either party, as provided by this Agreement. It is anticipated that the term of this Agreement will end 12 months after substantial competition or the proposed warranty period on October 31, 2022, whichever comes first.

3. MAJOR RESPONSIBILITIES AND DUTIES

3.1. Work Schedule:

The Project Manager shall provide personnel to assist in the oversight of the design and construction process. The Project Manager will act as an extension of the Owner's staff to facilitate and assist in the management of various aspects of the Project. The Project Manager will report directly to and work under the direction of the Owner's Designated Representative (ODR), to be identified to Project Manager in writing by Owner**.**

3.2. Scope of Work:

The Project Manager shall assist the Owner in the project management for the City of McLendon-Chisholm Projects identified in the RFQ, from and after the date of this Agreement.

The Project Manager's primary responsibilities will be to assist the Owner in managing the construction phases of the Project, as set forth in the Services Required, attached hereto and made a part hereof for all purposes as **Exhibit A**.

The Project Manager will not be responsible for, nor does the Project Manager control, the means, methods, techniques, sequences and procedures of construction for the Project. It is understood that the Project Manager's action in providing quality review under this Agreement is a service of the Project Manager for the sole benefit of the Owner and, by performing as provided herein, the Project Manager is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of the construction for this Project or its compliance with the Contract Documents. No action taken by the Project Manager shall relieve the Architect or General Contractor for the Project from its obligation to perform the work in strict conformity with the requirements of the Contract Documents, and in strict conformity with all other applicable laws, codes, rules and regulations.

The Project Manager will perform general on-site observations of work as deemed essential by the Project Manager, and as allowed within the confines of the fee based hourly allowance, but in no case shall on-site visits be made less than two (2) times per week during the construction phase. The Project Manager shall endeavor to ensure substantial conformity of the construction with plans and specifications. The Project Manager shall utilize this information to create reports generated from each on-site visit.

Project Manager will endeavor to assure that all Operation and Maintenance ("O&M") manuals, as-built drawings, warranties and appropriate certifications have been received, assembled by Project, and delivered to the Owner, while remaining under contract with the City of McLendon-Chisholm.

The Project Manager shall report to the Owner in writing any decisions it is aware of concerning disputes between any interested party and the Owner relating to the acceptability of the work, or the interpretation of the requirements of the Contract Documents pertaining to the furnishing and performing of the work.

The Owner will provide the Project Manager access to all City of McLendon-Chisholm Facilities where construction activities are planned or being constructed.

3.3. Facilities:

The City of McLendon-Chisholm will provide Project Manager with full access to existing construction related contracts and documents.

The Project Manager is responsible for the following:

- Personal computer(s).
- Software to perform services being requested.
- Transportation.
- Any necessary office supplies.
- Any other materials or equipment required to fulfill the terms of this Agreement.

4. EMPLOYER IDENTIFICATION NUMBER

• Social Security Number or
(EIN) Employer Identification Number 74-2775067.

5. PAYMENT FOR SERVICES

The Owner will compensate the Project Manager on the basis of fixed billable rates set out in **Exhibit B**. These billable hourly rates are inclusive of all profit (fee), general administrative overhead costs, and personnel expense for each employee. Personnel expense shall include and be limited to: base hourly wage, payroll taxes, employee benefits and Workers' Compensation insurance. A schedule of hours of is attached as Exhibit C. Based on this schedule, the Project Mangers fee is not to exceed ONE HUNDRED TWENTY-FOUR THOUSAND and FOUR HUNDRED THITY FIVE dollars ($124,435.00) ("Maximum Project Fee").

The Project Manager will exercise due care and diligence in monitoring the Maximum Project Fee. Further, the Project Manager shall notify Owner within three (3) business days of determining additional hours in excess of the Maximum Project Fee will be needed.

The Project Manager will bill the Owner monthly for the actual number of hours of services provided by the Project Manager, times the hourly rates set out in Exhibit B. The Owner shall pay Project Manager no later than thirty (30) days after the date of receipt of the invoice from Project Manager. Delinquent payments are subject to the Texas Prompt Pay Act, Texas Government Code Chapter 2251

6. INDEPENDENT CONTRACTOR RELATIONSHIP

In the performance of the services hereby contemplated, the Project Manager is an independent contractor, and neither the Project Manager nor the principals, partners, employees or subcontractors of the Project Manager shall be deemed employees of the Owner. Nothing herein shall be construed to create a partnership, joint venture or employment arrangement between the Owner and Project Manager.

7. TERMINATION

Either Party may terminate this Agreement for convenience with thirty (30) days written notice of termination. In the event of termination by either Party, Project Manager shall only be paid for work performed up to the date of termination.

8. DISPUTE RESOLUTION

In the event that the Owner or the Project Manager shall contend that the other has committed a material breach of this Agreement, the party alleging such breach shall, as a condition precedent to filing any lawsuit, notify the breaching party describing the breach and demanding corrective action. The breaching party has five business days from its receipt of the notice to correct the breach, or to begin and continue with reasonable diligence and in good faith to correct the breach. If the breach cannot be corrected within a reasonable time, despite the breaching party's reasonable diligence and good faith effort to do so, either party may invoke the dispute resolution process. Request for mediation shall be in writing, and shall request that the mediation commence not less than thirty (30) or more than ninety (90) days following the date of the request, except upon agreement of both parties. In the event the Owner and the Project Manager are unable to agree to a date for the mediation or to the identity of the mediator or mediators within thirty (30) days following the date of the request for mediation, all conditions precedent in this article shall be deemed to have occurred.

9. PROPRIETARY INFORMATION

It is understood between the Parties hereto that during the term of this Agreement, Project Manager may be dealing with confidential information and processes which are the property of Owner used in the course of its business. Project Manager agrees that Project Manager will not disclose, directly or indirectly, any such matters, or use them other than in the course of work under this Agreement unless withholding such information would violate the law or create the risk of significant harm to the public.

10. ASSIGNMENT

Neither this Agreement nor any duties or obligations hereunder shall be assignable by the Project Manager or Owner without prior written consent of the other. In the event of an assignment by the Project Manager to which the Owner has consented, the assignee or its legal representative shall agree in writing with the Owner to personally assume, perform and be bound by the covenants, obligations, and agreements contained herein.

11. SUCCESSORS AND ASSIGNS

Subject to the provisions regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, legal representatives, successors, and assigns of the respective Parties.

12. GOVERNING LAW AND VENUE

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the Parties hereunder, shall be governed by the laws of the State of Texas. Any legal action brought in state court shall have venue in Rockwall County, Texas.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties and supersedes any and all other agreements, either oral or written, between the Parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter that is not contained herein shall be valid or binding.

14. AMENDMENT

This Agreement may be amended only by the mutual agreement of the Parties hereto in writing and incorporated into this Agreement. The duly appointed representative of each party must sign any such amendment.

15. INDEMNIFICATION

To the fullest extent permitted by law, the Project Manager shall indemnify and hold harmless the Owner, its employees, officers, directors and partners from and against damages arising from third party claims for bodily injury or property damage and reasonable attorneys' fees incurred by the Owner but only to the extent solely caused by the negligent act, error or omission of the Project Manager, or the Project Manager's consultants, in performance of services under this Agreement.

16. NOTICES

All written notices provided to the Parties pursuant to this Agreement shall be forwarded to each party at the address indicated below. Such notices shall be considered duly and properly given when delivered in person or actually deposited by either party via U.S. mail or any other delivery service Project Manager.

17. APPROPRIATIONS

Notwithstanding any provision contained herein, the financial obligations of the Owner contained herein are subject to and contingent upon appropriations by the Owner's Executive Committee of such funds or other revenues being available, received and appropriated by the Owner in amounts sufficient to satisfy said obligations. In no event shall this instrument be construed to be a debt of the Owner.

18. GOVERNMENTAL IMMUNITY

Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or in equity to either the Owner or its officers and employees. Neither the Owner, nor its officers and employees waives, modifies or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas.

19. SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

20. NO WAIVER OF ANY CONTRACTUAL RIGHT

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

21. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. A signature transmitted by facsimile or similar equipment shall be deemed an original signature.

22. NO THIRD PARTY BENEFICIARY

This Agreement inures to the benefit of and obligates only the Parties executing it. No term or provision of this Agreement shall benefit or obligate any person or entity not a party to it. The Parties hereto shall cooperate fully in opposing any attempt by any third person or entity to claim any benefit, protection, release or other consideration under this Agreement.

23. HEADINGS

The description headings used in this Agreement are inserted for reference only and do not and shall not be deemed to modify the construction of any of the provisions of this Agreement.

WHEREAS, the Parties hereto agree to the terms of this Agreement as set forth above, the duly designated representatives of the **CITY OF MCLENDON-CHISHOLM** and **AG|CM, Inc.,** hereby execute this Agreement. The Parties hereto acknowledge that they have read this Agreement, understand its contents, and agree to be legally bound by the terms and conditions of this Agreement.

Executed and Dated as of the _4th____ day of August, 2020.

PROJECT MANAGER: **AG|CM**
PO Box 2682
Corpus Christi, TX 78403
(361) 882-0469

By: ________________________________ Date: ___________
Mr. Ryan Rosborough, CCM
Vice President

OWNER: **City of McLendon-Chisholm**
1371 W. FM 550
McLendon-Chisholm, TX 75032

By: ________________________________ Date: ___________
Ms. Lisa Palomba
City Administrator

EXHIBITs A, B & C provided under separate cover

City of McLendon Chisholm
Fiscal 2021 Budget Summary
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

Cash Reserves	FY 2020 Current	FY 2020 Projected
General Fund	$ 1,412,273	$ 1,417,224
Fire Capital	$ 4,881,059	$ 4,881,059
	$ 6,293,332	$ 6,298,283
Utility Fund	$ 760,590	$ 755,256
I&S Fund	$ 28,787	$ -

Financial Summary	FY 2020 Current	FY 2020 Projected	FY 2020 Budget	FY 2021 Proposed Budget
General Fund Revenue	1,766,361	2,082,751	1,306,263	1,837,908
General Fund Expenses	(825,305)	(1,126,407)	(1,052,505)	(1,323,079)
Surplus	$ 941,056	$ 956,344	$ 253,758	$ 514,829

Does not include TxDot Payment for new Fire Station

Utility Fund Revenue	520,657	627,987	358,564	638,780
Utility Fund Expenses	(400,075)	(532,526)	(358,564)	(577,143)
Surplus	120,582	95,461	-	61,637

I&S Fund Revenue	125,665	150,726	141,644	154,452
I&S Fund Expenses	(129,221)	(150,726)	(141,644)	(146,312)
Surplus	(3,556)	-	-	8,140

City of McLendon Chisholm
Operating Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	Prior Projection	% of Budget Current YTD	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Revenue						
302 · Franchise Income	193,865	195,698	104%	$ 187,000	$ 195,000	Projected to hold steady
303 · Development Income	72,570	71,900	484%	15,000	15,000	No significant plat fees on the horizon
304 · Building Permit Income	824,591	673,673	250%	330,000	696,127	Based on current projections from Sonoma developer
305 Municipal Court Income	-	-	0%	1,800	500	
306 · Interest Income	22,663	22,417	123%	18,500	25,000	Increase based on earnings from funds received from TXDot
307 · Sign Permit Income	-	-	0%	100	-	
308 · Septic Fees	16,825	14,125	216%	7,800	11,000	Most new construction is not on septic
309 Food Enforcement	1,200	2,400	96%	1,250	1,200	
310 · Sales Tax Revenue	352,811	312,193	171%	205,750	341,608	No new sales tax revenue projected
313 · Donations	836	836	139%	600	500	
314 · Copies Public Inf. Income	-	-	0%	130	100	
317 · Ad Valorem Tax	596,156	589,979	111%	537,708	551,083	M&O Revenue based on Certified Value at current rate of 15 cents
318 · Tax Certifications	74	74	98%	75	-	
321 · Credit Card Fee Revenue	1,160	1,160	211%	550	790	
Total Revenue	$ 2,082,751	$ 1,884,455	159%	$ 1,306,263	$ 1,837,908	
Expenditures						
Operating Expenditures						
401 · Municipal Court / Code Enforcement	$ -	$ -	0%	$ 50	$ 1,000	Based on increased code enforcement
402 · Election Expense	-	-	0%	12,250	12,500	
410 · Building Inspections	198,131	196,077	168%	117,742	167,264	Correlated with decrease in Bldg Permits
411 · Environment Regulation Expense	8,222	7,581	131%	6,255	5,375	Correlated with decrease in Septic Inspections
414 - Animal Control	3,181	-	18%	18,000	19,196	Per new Contract
415 · Section 380 Grant Program	11,944	11,944	314%	3,800	7,800	Based on current projections from Sonoma developer
418 · Membership Fees	1,662	1,662	106%	1,575	2,000	
422 · Public Notice Expense	15,622	14,336	171%	9,150	11,750	
423 · Community Functions	7,290	7,290	1458%	500	2,000	Only event planned is Christmas Tree Lighting
426 · Appraisal District Collection	6,902	6,902	138%	5,000	5,500	
429 · Street Lights					2,900	
430 · Public Safety	388,288	339,786	116%	333,555	521,789	see attached detail
Total 400 Operating Expenditures	$ 641,241	$ 585,577	126%	$ 507,877	$ 759,074	

City of McLendon Chisholm
Operating Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	Prior Projection	% of Budget Current YTD	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Occupancy Expenditures						
502 · Electricity	$ 2,623	$ 2,619	97%	$ 2,700	$ 2,900	
506 · Water	7,277	9,309	182%	4,000	10,239	
510 · Propane Gas	788	788	100%	788	870	
514 · Building Maint/Improvements	10,994	10,874	90%	12,200	12,000	
516 · Lawn Maintenance	8,220	8,220	97%	8,500	-	Will be a duty of new code enforcement officer
520 · Telephone & Internet	8,241	7,536	119%	6,900	8,300	
522 · Website Expense	1,258	1,138	126%	1,000	2,500	
522.1 · Website Design/Redesign						
522.2 · Audio/Video Chamber Updates						
Total 500 Occupancy Expenditures	$ 39,401	$ 40,484	105%	$ 37,432	$ 36,809	
General & Administrative Expenditures						
604 · Municipal Manuals, Books & Maps	346	346	138%	250	500	
606 · Employee Costs	195,517	188,014	88%	222,455	283,753	See payroll and benefit projection worksheet
618 · Liability Insurance	5,292	5,292	70%	7,517	5,821	Projected 10% increase
619 · Software Subscriptions	9,739	11,534	51%	19,000	12,000	
621 · IT Support	8,425	6,825	153%	5,500	7,000	
622 · Office Supplies - City Hall	2,738	3,059	91%	3,000	3,500	
623 · Office Equipment	3,110	4,055	120%	2,600	4,100	
624 · Office Equip Maintenance	4,265	5,407	284%	1,500	4,500	
625 · Printed Materials	2,773	2,408	163%	1,700	2,000	
626 · Postage-City Hall	1,081	1,025	77%	1,410	1,500	
628 · Bank Fees	1,607	1,780	107%	1,500	2,000	
630 · Legal & Professional						
63001-Accounting & Payroll services	53,225	53,225	101%	52,514	60,000	Based on increase in transaction postings and higher # of employees
63002 - Financial Audit	15,000	15,000	100%	15,000	16,000	Quote from Current Auditor
63003 - Legal	32,912	29,536	82%	40,000	40,000	
63005 - City Planner	26,350	9,935	59%	45,000	45,000	Increase to accommodate Comprehensive Plan update
63008 - Financial Consulting	26,000	26,000	100%	26,000	26,000	
63009 - Engineering	15,000	15,000	100%	15,000	25,000	

City of McLendon Chisholm
Operating Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	Prior Projection	% of Budget Current YTD	FY 2020 Budget	FY 2021 Proposed Budget	Comments
646 · Mileage Expense	500	500	100%	500	750	
647 · Council Meetings & Development	650	650	100%	650	800	
648 · Training	2,187	1,937	32%	6,750	7,000	Assumption that normal training will resume
652 · Staff Appreciation	650	650	76%	850	800	
655 · Code of Ordinance	3,360	3,360	96%	3,500	4,000	
699 · Miscellaneous Expense	39	39	- %	-	-	
Total G & A Expenditures	$ 410,765	$ 385,576	87%		$ 472,196	
700 · Capital Expenditures - Operating	35,000	35,000	100%	35,000	55,000	$40,000 for Klutts Rd + $15,000 for unplanned events
Total Capital Expenditures	$ 35,000	$ 35,000	100%	$ 35,000	$ 55,000	
Total Expenditures	$ 1,126,407	$ 1,046,637	107%	$ 1,052,505	$ 1,323,079	
Surplus (Deficit)	$ 956,344	$ 837,818	377%	$ 253,758	$ 514,829	

City of McLendon Chisholm
Utility Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	% of Budget Current YTD	Prior Projection	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Operating Revenue						
306 · Interest Income	$ 6,745	69%	$ 8,605	$ 9,750	$ 6,000	Assuming lower interest rates
Sewer Utility Revenue						
32200 · Sewer Usage Fees	$ 250,000	109%	$ 250,000	228,360	306,625	11.5% increase in # of accounts + 10% rate increase (from Rate Study)
32204 · Sewer Deposit Refunds	(758)	69%	(538)	(1,100)	(845)	
Transfer from Utility Fund Surplus		0%		49,554		
Total Revenue	$ 255,987	89%	$ 258,067	$ 286,564	$ 311,780	
Operating Expenditures						
Operation & Maintenance Expenditures						
Sewer Operation & Maintenance						
41304 · O&M Agreement	$ 40,000	119%	$ 40,000	$ 33,570	$ 46,000	11.5% increase in # of accounts + 3% rate increase
41305 - O&M Maintenance	13,500	38%	13,500	$ 36,000	$ 15,500	11.5% increase in # of accounts + 3% rate increase
41308 · Electricity	108	- %	108	-	150	
41310 · Sewer Treatment	187,044	81%	200,849	231,794	304,000	From Rate Study
Total Operations Expenditures	$ 240,652	80%	$ 254,457	$ 301,364	$ 365,650	
600 · General & Administrative Exp	$ 68,675	491%	$ 68,675	$ 14,000	$ 15,293	2020 Projection includes $54,900 for Sewer Line Expansion Design / 11.5% 2021 budget increase
700 · Capital Expenditures	$ -		$ -	$ -	$ -	Placeholder for Sewer Line Expansion
Total Expenditures	$ 309,326	98%	$ 323,131	$ 315,364	$ 380,943	
Surplus (Deficit) from Operations	$ (53,340)	- %	$ (65,064)	$ (28,800)	$ (69,164)	

City of McLendon Chisholm
Utility Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	% of Budget Current YTD	Prior Projection	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Sewer Tap Fees						
32201 · Sewer Tap Fee Revenue	372,000	517%	327,000	72,000	327,000	
41312 · Tap Fee Developer Rebate	(223,200)	517%	(196,200)	(43,200)	(196,200)	
Net Revenue from Tap Fees	148,800		130,800	28,800	130,800	
Total Surplus (Deficit)	$ 95,461		$ 65,736	$ -	$ 61,636	

City of McLendon Chisholm
Interest and Sinking Fund Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	% of Budget Current YTD	Prior Projection	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Revenue						
Ad Valorem Tax						
317 · Ad Valorem Tax	117,196	109%	115,961	$ 107,426	$ 147,552	I&S Revenue based on current rate of 15 cents
306 · Interest Income	8,899	- %	7,983	3,250	6,900	Assuming lower Interest Rates
Transfer from Excess Bond Proceeds	-	- %	-	-		
Transfer From Interest & Sinking Surplus	24,631	80%	26,782	30,968	-	
Total Revenue and Transfers In	$ 150,726	106%	$ 150,726	$ 141,644	$ 154,452	
Expenditures						
628 · Bank Fees Expense	$ 2,850		$ 2,850		$ 2,850	
660 · Bond Interest Expense	57,876	100%	57,876	$ 58,113	56,312	
Transfer To Bond Principal	90,000	100%	90,000	90,000	90,000	
Transfer to Early Redemption Sinking Fund		- %		-		
Total Expenditures and Transfers Out	$ 150,726	102%	$ 150,726	$ 148,113	$ 146,312	
Surplus (Deficit)	$ (0)	- %	$ -	$ (6,469)	$ 8,140	

City of McLendon Chisholm
Public Safety Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	Prior Projection	FY 2020 Budget	FY 2021 Proposed Budget	Comments
Revenue					
313 · Donations	765	765	-	-	
316 · County Contract	77,500	77,500	67,500	77,500	
319 · Grants	252,000	252,000	252,000	117,600	Reduction per Grant Agreement
Transfer from Fire Capital Fund	-		-	4,055,000	$4,000,000 for new station & $55,000 new vehicle
Transfer from General Fund	388,288	339,784	333,555	521,789	
Total Revenue	718,553	670,049	653,055	4,771,889	
Expenses					
400 · Operating Expenditures					
418 · Membership Fees	70	70	-	70	
Total 400 · Operating Expenditures	70	70	-	140	
430 · Public Safety					
43001 · Liability Insurance	7,730	7,730	3,326	7,962	
43002 · Fuel	10,360	10,334	10,000	10,000	
43003 · Maintenance & Repair - Vehicles	23,205	23,352	20,000	8,000	
43004 · Maintenance & Repair - Station	14,843	10,780	12,000	12,000	
43005 · Gear and Supplies	27,029	27,308	23,000	23,000	
43006 · Compliance	5,479	5,479	6,000	6,000	
43007 ·Radio Maintenance	12,000	12,000	12,000	14,653	
43008 · Dispatch	10,000	10,000	10,000	10,000	
43009 · Training	5,563	5,560	10,000	10,000	
43010 · Software	115	115	-	115	
43030 · EMS	4,929	4,929	3,000	3,780	Per latest info from Rockwall County
43035 · Street Lights	2,874	2,874	2,900	-	Moved to General Fund
Total 430 · Public Safety	124,127.09	120,461	112,226	105,510	
500 · Occupancy Expenditures					
502 · Electricity	3,221	3,234	-	3,500	
506 · Water	466	458	-	500	
512 · Trash	223	223	-	-	
516 · Lawn Maintenance	120	120	-	-	
520 · Telephone & Internet	2,386	2,386	-	2,500	
Total 500 · Occupancy Expenditures	6,416.49	6,421	-	6,500	
600 · General & Administrative Exp					

City of McLendon Chisholm
Public Safety Budget Worksheet
For the fiscal year to end September 30, 2021
Rev 2 - Projections updated as of 7/31/2020

	FY 2020 Projected	Prior Projection	FY 2020 Budget	FY 2021 Proposed Budget	Comments
606 · Employee Costs	562,441	524,298	525,829	600,257	See payroll and benefit projection worksheet
619 · Software Subscriptions	1,123	1,123	-	1,476	
628 · Interest Expense	2,206	2,206	-	2,206	
652 · Staff Appreciation	463	463	-	800	
699 · Miscellaneous Expenses	7	7	-	-	
Total 600 · General & Administrative Exp	566,239.48	528,097	525,829	604,739	
700 · Capital Expenditures					
Equipment	21,700	15,000	15,000		
Vehicles	-	-	-	55,000	
New Fire Station	-	-	-	4,000,000	
Total 700 · Capital Expenditures	21,700.00	15,000	15,000	4,055,000	
Total Expenses	718,553	670,049	653,055	4,771,889	
Surplus (Deficit)	-	-	-	-	

City of McLendon-Chisholm
Fiscal 2021 Wage and Benefit Projection

	Current Salary	Current Salary	Increase		Proposed Salary	FICA	Health Ins	Dental Ins	Vision Ins	Retirement	Disability	Workers Comp	Total
Administration													
City Administrator	90,950	90,950	3,638	4.00%	94,588	7,236	11,850	706	82	5,444	335	426	120,667
Adminstrative Assistant		18,918	757	4.00%	19,674	1,505						89	21,268
City Secretary	57,500	57,500	1,533	2.67%	59,033	4,516	19,061	706	82	3,397	335	266	87,397
Code Enforement Officer		-	37,444	100.00%	37,444	2,864	10,665	706	82	2,155	335	168	54,421
Total Administration		167,368	43,372	25.91%	210,740	16,122	41,576	2,119	246	10,996	1,006	948	283,753
Fire Department													
Chief	85,145	85,145	3,406	4.00%	88,551	6,514	9,931	706	82	5,096	335	4,361	111,215
Captain		48,975	4,134	8.44%	53,109	3,747	6,379	706	82	3,056	335	2,615	67,415
Captain		49,011	4,134	8.43%	53,144	3,749	6,379	706	82	3,058	335	2,617	67,455
Captain		49,099	4,134	8.42%	53,233	3,756	7,612	706	82	3,064	335	2,621	68,788
Fire Fighter		46,877	938	2.00%	47,815	3,586	8,419	706	82	2,752	335	2,355	63,695
Fire Fighter		46,877	938	2.00%	47,815	3,586	7,866	706	82	2,752	335	2,355	63,142
Fire Fighter		46,877	938	2.00%	47,815	3,586	7,866	706	82	2,752	335	2,355	63,142
Fire Fighter		78,624			78,624	6,015	-					3,872	84,639
Volunteer Stipends		10,000			10,000	765						1,100	10,765
Total Fire Department		461,486	18,620	4.03%	480,106	35,304	54,451	4,945	575	22,530	2,347	24,250	600,257

Assumptions

Assumed 4% average increase unless otherwise noted
Health Insurance Increase of 10%
Retirement Plan change from 5% / 1 to 1 match to 7% / 2 to 1 match on Jan 1, 2021
Green - 4% increase after one year anniversary
Full Time Fire Fighter Fighter 4% Increase beginning April 2021
5% Workers Comp increase for fire fighters (per insurance agent)

TMRS Annual Cost Comparison	Current Salaries	5% -1 to 1 1.69%	7% - 2 to 1 7.11%	Proposed Salaries	5% -1 to 1 1.69%	7% - 2 to 1 7.11%
City Administrator	90,950	1,537	5,234	94,588	1,599	5,444
City Secretary	57,500	972	3,309	59,033	998	3,397
Code Enforement Officer		-		37,444	633	2,155
Chief	85,145	1,439	4,900	88,551	1,497	5,096
Captain	48,975	828	2,819	53,109	898	3,056
Captain	49,011	828	2,821	53,144	898	3,058
Captain	49,099	830	2,826	53,233	900	3,064
Fire Fighter	46,877	792	2,698	47,815	808	2,752
Fire Fighter	46,877	792	2,698	47,815	808	2,752
Fire Fighter	46,877	792	2,698	47,815	808	2,752
		8,810	30,001		9,845	33,526

City of McLendon-Chisholm
Fiscal 2021 Property Tax Revenue
Various Rate Scenarios

Fiscal 2021 Total Taxable Value	$465,756,139
Fiscal 2020 Adjusted Taxable Value	$425,382,038

		Fiscal 2021						
	Fiscal 2020 Revenue		**No New Revenue Rate**	**Current Rate**	**Voter Approval Rate**	**8% Voter Approval Rate**	**Petition Zone**	**Di Minimis Rate**
Total Rate	0.150	0.140	0.147	0.150	0.157	0.163		0.276
M&O Revenue	$533,429	$504,507	$534,981	$551,083	$581,585	$609,856		$1,137,544
Debt Service Revenue	$104,644	$147,552	$147,552	$147,552	$147,552	$147,552		$147,552
	$638,073	$652,059	$682,533	$698,634	$729,137	$757,408		$1,285,096
M&O Revenue Change from 2020		-$28,922	$1,552	$17,654	$48,156	$76,427		$604,115

TNT-856 06-20/6

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM
1371 West FM 550, McLendon-Chisholm, TX 75032
972-524-2077
www.mclendon-chisholm.com

No-New-Revenue Tax Rate
The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

1.	**2019 total taxable value.** Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 17).[1]	$486,662,235
2.	**2019 tax ceilings.** Counties, Cities and Junior College Districts. Enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" If your taxing units adopted the tax ceiling provision in 2019 or prior year for homeowners age 65 or older or disabled, use this step.[2]	$58,796,429
3.	**Preliminary 2019 adjusted taxable value.** Subtract line 2 from line 1.	$427,865,806
4.	**2019 total adopted tax rate.**	$0.150000/$100
5.	**2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value.** A. **Original 2019 ARB values:** $0 B. **2019 values resulting from final court decisions:** - $0 C. **2019 value loss.** Subtract B from A.[3]	$0
6.	**2019 taxable value subject to an appeal under Chapter 42, as of July 25.** A. **2019 ARB certified value:** $0 B. **2019 dispuated value:** - $0 C. **2019 undisputed value.** Subtract B from A.[4]	$0
7.	**2019 Chapter 42 related adjusted values.** Add line 5 and line 6.	$0
8.	**2019 taxable value, adjusted for actual and potential court-ordered adjustments.** Add line 3 and line 7.	$427,865,806

1 Tex. Tax Code § 26.012(14)

2 Tex. Tax Code § 26.012(14)

3 Tex. Tax Code § 26.012(13)

4 Tex. Tax Code § 26.012(13)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

No-New-Revenue Tax Rate (continued)

9.	**2019 taxable value of property in territory the taxing unit deannexed after January 1, 2019.** Enter the 2019 value of property in deannexed territory.[5]	$0
10.	**2019 taxable value lost because property first qualified for an exemption in 2020.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2020 does not create a new exemption or reduce taxable value. A. **Absolute exemptions.** Use 2019 market value: $0 B. **Partial exemptions.** 2020 exemption amount or 2020 percentage exemption times 2019 value: + $1,189,188 C. **Value loss.** Add A and B.[6]	$1,189,188
11.	**2019 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2020.** Use only those properties that first qualified in 2020; do not use properties that qualified in 2019. A. **2019 market value:** $1,297,350 B. **2020 productivity or special appraised value:** - $2,770 C. **Value loss.** Subtract B from A.[7]	$1,294,580
12.	**Total adjustments for lost value.** Add lines 9, 10C and 11C.	$2,483,768
13.	**Adjusted 2019 taxable value.** Subtract line 12 from line 8.	$425,382,038
14.	**Adjusted 2019 total levy.** Multiply line 4 by line 13 and divide by $100.	$638,073
15.	**Taxes refunded for years preceding tax year 2019.** Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2019. Types of refunds include court decisions, Tax Code § 25.25(b) and (c) corrections and Tax Code § 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.[8]	$152
16.	**Taxes in tax increment financing (TIF) for tax year 2019.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2020 captured appraised value in Line 18D, enter "0".[9]	$0
17.	**Adjusted 2019 levy with refunds and TIF adjustment.** Add lines 14 and 15, subtract line 16.[10]	$638,225

5 Tex. Tax Code § 26.012(15)

6 Tex. Tax Code § 26.012(15)

7 Tex. Tax Code § 26.012(15)

8 Tex. Tax Code § 26.012(13)

9 Tex. Tax Code § 26.03(c)

10 Tex. Tax Code § 26.012(13)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

No-New-Revenue Tax Rate (continued)

18.	**Total 2020 taxable value on the 2020 certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 20). These homesteads includes homeowners age 65 or older or disabled.[11] A. **Certified values:** B. **Counties:** Include railroad rolling stock values certified by the Comptroller's office: C. **Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: D. **Tax increment financing:** Deduct the 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2020 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 23 below.[12] E. **Total 2020 value.** Add A and B, then subtract C and D.	 $520,322,899 + $0 - $0 - $0	$520,322,899
19.	**Total value of properties under protest or not included on certified appraisal roll.**[13] A. **2020 taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.[14] B. **2020 value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll.[15]	 $16,629,010 + $0	

11 Tex. Tax Code § 26.12, 26.04(c-2)

12 Tex. Tax Code § 26.03(c)

13 Tex. Tax Code § 26.01(c) and (d)

14 Tex. Tax Code § 26.01(c)

15 Tex. Tax Code § 26.01(d)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

No-New-Revenue Tax Rate (concluded)

19. (cont.)	C. **Total value under protest or not certified.** Add A and B.	$16,629,010
20.	**2020 tax ceilings.** Counties, cities and junior colleges enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter "0". If your taxing units adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[16]	$71,195,770
21.	**2020 total taxable value.** Add lines 18E and 19C. Subtract line 20.[17]	$465,756,139
22.	**Total 2020 taxable value of properties in territory annexed after January 1, 2019.** Include both real and personal property. Enter the 2020 value of property in territory annexed.[18]	$0
23.	**Total 2020 taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in 2019. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after January 1, 2019 and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for 2020.[19]	$30,237,259
24.	**Total adjustments to the 2020 taxable value.** Add lines 22 and 23.	$30,237,259
25.	**Adjusted 2020 taxable value.** Subtract line 24 from line 21.	$435,518,880
26.	**2020 NNR tax rate.** Divide line 17 by line 25 and multiply by $100.[20]	$0.146543/$100
27.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the 2020 county NNR tax rate.[21]	$/$100

16 Tex. Tax Code § 26.012(6)(B)

17 Tex. Tax Code § 26.012(6)

18 Tex. Tax Code § 26.012(17)

19 Tex. Tax Code § 26.012(17)

20 Tex. Tax Code § 26.04(c)

21 Tex. Tax Code § 26.04(d)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

28.	**2019 M&O tax rate.** Enter the 2019 M&O tax rate.	$0.125440/$100
29.	**2019 taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in line 8 of the *No-New-Revenue Tax Rate Worksheet*.	$427,865,806
30.	**Total 2019 M&O levy.** Multiply line 28 by line 29 and divide by $100.	$536,714
31.	**Adjusted 2019 levy for calculating NNR M&O taxes.** Add line 31E to line 30. A. **2019 sales tax specifically to reduce property taxes.** For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. $59,364 B. **M&O taxes refunded for years preceding tax year 2019:** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019. + $82 C. **2019 taxes in TIF.**: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2019 captured appraised value in Line 18D, enter 0. - $0	

2020 Tax Rate Calculation Worksheet
CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate (continued)

31. (cont.)	D. **2019 transferred function.**: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in E below. The taxing unit receiving the function will add this amount in E below. Other taxing units enter 0.	+/- $0	
	E. **2019 M&O levy adjustments.**: Add A and B, then subtract C. For taxing unit with D, subtract if discontinuing function and add if receiving function.	$59,446	$596,160
32.	**Adjusted 2020 taxable value.** Enter the amount in line 25 of the *No-New-Revenue Tax Rate Worksheet*.		$435,518,880
33.	**2020 NNR M&O rate. (unadjusted)** Divide line 31 by line 32 and multiply by $100.		$0.136885/$100
34.	**Rate adjustment for state criminal justice mandate.**[23] Enter the rate calculated in C. If not applicable, enter 0.		
	A. **2020 state criminal justice mandate.** Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$0	
	B. **2019 criminal justice mandate.** Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	$0	
	C. Subtract B from A and divide by line 32 and multiply by $100.	$0/$100	$0/$100

22 [Reserved for expansion]
23 Tex. Tax Code § 26.044

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate (continued)

35.	**Rate adjustment for indigent health care expenditures.**[24] Enter the rate calculated in C. If not applicable, enter 0. A. **2020 indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose. B. **2019 indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state assistance received for the same purpose. C. Subtract B from A and divide by line 32 and multiply by $100.	A. $0 B. $0 C. $0/$100	$0/$100
36.	**Rate adjustment for county indigent defense compensation.**[25] Enter the lessor of C and D. If not applicable, enter 0. A. **2020 indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose. B. **2019 indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state grants received by the county for the same purpose. C. Subtract B from A and divide by line 32 and multiply by $100. D. Multiply B by 0.05 and divide by line 32 and multiply by $100.	A. $0 B. $0 C. $0/$100 D. $0/$100	$0/$100

24 Tex. Tax Code § 26.0442
25 Tex. Tax Code § 26.0442

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate (continued)

37.	**Rate adjustment for county hospital expenditures.**[26] Enter the lessor of C and D, if applicable. If not applicable, enter 0. A. **2020 eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020 — $0 B. **2019 eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2018 and ending on June 30, 2019. — $0 C. Subtract B from A and divide by line 32 and multiply by $100. — $0/$100 D. Multiply B by 0.08 and divide by line 32 and multiply by $100. — $0/$100	$0/$100
38.	**Adjusted 2020 NNR M&O rate.** Add lines 33, 34, 35, 36, and 37.	$0.136885/$100
39.	**2020 voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply line 38 by 1.08. **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 38 by 1.035 **Taxing unit affected by disaster declaration.** If the taxing unit is located in an area declared as disaster area, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the second year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply line 38 by 1.08. [27]	$0.141675/$100

26 Tex. Tax Code § 26.0443
27 Tex. Tax Code § 26.04(c-1)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate (concluded)

40.	**Total 2020 debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses. A: **Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount. $146,313 B: Subtract **unencumbered fund amount** used to reduce total debt. -$181 C: Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none). -$0 D: Subtract **amount paid** from other resources. -$0 E: **Adjusted debt.** Subtract B, C and D from A.	$146,132
41.	**Certified 2019 excess debt collections.** Enter the amount certified by the collector.[28]	$0
42.	**Adjusted 2020 debt.** Subtract line 41 from line 40E.	$146,132
43.	**2020 anticipated collection rate.** If the anticipated rate in A is lower than actual rates in B, C or D, enter the lowest rate from B, C or D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [29] A. Enter the 2020 anticipated collection rate certified by the collector.[30] 99.040000% B. Enter the 2019 actual collection rate. 99.040000% C. Enter the 2018 actual collection rate. 99.470000% D. Enter the 2017 actual collection rate. 99.670000%	99.040000%
44.	**2020 debt adjusted for collections.** Divide line 42 by line 43.	$147,548
45.	**2020 total taxable value.** Enter the amount on line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$465,756,139
46.	**2020 debt rate.** Divide line 44 by line 45 and multiply by $100.	$0.031679/$100
47.	**2020 voter-approval tax rate.** Add lines 39 and 46.	$0.173354/$100
48.	**COUNTIES ONLY.** Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2020 county voter-approval tax rate.	$/$100

28 Tex. Tax Code § 26.012(10) and 16.04(b)

29 Tex. Tax Code § 26.04(h),(h-1) and (h-2)

30 Tex. Tax Code § 26.04(b)

2020 Tax Rate Calculation Worksheet
CITY OF MCLENDON-CHISHOLM

NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.
This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

49.	**Taxable Sales.** For taxing units that adopted the sales tax in November 2019 or May 2020, enter the Comptroller's estimate of taxable sales for the previous four quarters.[32] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2019, skip this line.	$0
50.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[33] **Taxing units that adopted the sales tax in November 2019 or in May 2020.** Multiply the amount on Line 49 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95.[34] -OR- **Taxing units that adopted the sales tax before November 2019.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$78,694
51.	**2020 total taxable value.** Enter the amount from line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$465,756,139
52.	**Sales tax adjustment rate.** Divide line 50 by line 51 and multiply by $100.	$0.016895/$100
53.	**2020 NNR tax rate, unadjusted for sales tax.**[35] Enter the rate from line 26 or 27, as applicable, on the *No-New-Revenue Tax Rate Worksheet*.	$0.146543/$100
54.	**2020 NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November 2019 or in May 2020.** Subtract line 52 from line 53. Skip to line 55 if you adopted the additional sales tax before November 2019.	$0.146543/$100
55.	**2020 voter-approval tax rate, unadjusted for sales tax.**[36] Enter the rate from line 47 or 48, as applicable, of the *Voter-Approval Tax Rate Worksheet*.	$0.173354/$100
56.	**2020 voter-approval tax rate, adjusted for sales tax.** Subtract line 52 from line 55.	$0.156459/$100

31 [Reserved for expansion]

32 Tex. Tax Code § 26.041(d)

33 Tex. Tax Code § 26.041(i)

34 Tex. Tax Code § 26.041(d)

35 Tex. Tax Code § 26.04(c)

36 Tex. Tax Code § 26.04(c)

2020 Tax Rate Calculation Worksheet
CITY OF MCLENDON-CHISHOLM

Voter-Approval Rate Adjustment for Pollution Control
A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

57.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ.[37] The taxing unit shall provide its tax assessor-collector with a copy of the letter.[38]	$0
58.	**2020 total taxable value.** Enter the amount from line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$465,756,139
59.	**Additional rate for pollution control.** Divide line 57 by line 58 and multiply by 100.	$0/$100
60.	**2020 voter-approval tax rate, adjusted for pollution control.** Add line 59 to one of the following lines (as applicable): line 47, line 48 (counties) or line 56 (units with the additional sales tax).	$0.156459/$100

37 Tex. Tax Code § 26.045(d)

38 Tex. Tax Code § 26.045(i)

2020 Tax Rate Calculation Worksheet

CITY OF MCLENDON-CHISHOLM

Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years. [39] In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

For each tax year before 2020, the difference between the adopted tax rate and voter-approval rate is considered zero, therefore the unused increment rate for 2020 is zero. [40]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [41]

61.	**2019 unused increment rate.** Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	$0/$100
62.	**2018 unused increment rate.** Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	$0/$100
63.	**2017 unused increment rate.** Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	$0/$100
64.	**2020 unused increment rate.** Add lines 61, 62, and 63.	$0/$100
65.	**2020 voter-approval tax rate, adjusted for unused increment rate.** Add line 64 to one of the following lines (as applicable): line 47, line 48 (counties), line 56 (taxing units with the additional sales tax) or line 60 (taxing units with pollution control).	$0.156459/$100

39 Tex. Tax Code § 26.013(a)

40 Tex. Tax Code § 26.013(c)

41 Tex. Tax Code § 26.063(a)(1)

2020 Tax Rate Calculation Worksheet
CITY OF MCLENDON-CHISHOLM

De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [42]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [43]

66.	**Adjusted 2020 NNR M&O tax rate.** Enter the rate from line 38 of the *Voter-Approval Tax Rate Worksheet*.	$0.136885/$100
67.	**2020 total taxable value.** Enter the amount from line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$465,756,139
68.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by line 67 and multiply by $100.	$0.107352/$100
69.	**2020 debt rate.** Enter the rate from line 46 of the *Voter-Approval Tax Rate Worksheet*.	$0.031679/$100
70.	**De minimis rate.** Add lines 66,68, and 69.	$0.275916/$100

42 Tex. Tax Code § 26.012(8-a)
43 Tex. Tax Code § 26.063(a)(1)

Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue tax rate. As applicable, enter the 2020 NNR tax rate from: line 26, line 27 (counties), or line 54 (adjusted for sales tax).	$0.146543/$100
Voter-approval tax rate. As applicable, enter the 2020 voter-approval tax rate from: line 47, line 48 (counties), line 56 (adjusted for sales tax), line 60 (adjusted for pollution control), or line 65 (adjusted for unused increment).	$0.156459/$100
De minimis rate. If applicable, enter the de minimis rate from line 70.	$0.275916/$100

Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Tax Code. [44]

Print Here

Kevin R. Passons

Printed Name of Taxing Unit Representative

Sign Here

Taxing Unit Representative

Date

07/31/2020

44 Tex. Tax Code § 26.04(c)

2020 Notice of No-New-Revenue Tax Rate
Worksheet for Calculation of Tax Increase/Decrease

Entity Name: CITY OF MCLENDON-CHISHOLM **Date:** 07/31/2020

1. 2019 taxable value, adjusted for court-ordered reductions. Enter line 8 of the No-New-Revenue Tax Rate Worksheet.	$427,865,806
2. 2019 total tax rate. Enter line 4 of the No-New-Revenue Tax Rate Worksheet.	0.150000
3. Taxes refunded for years preceding tax year 2019. Enter line 15 of the No-New-Revenue Tax Rate Worksheet.	$152
4. Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	$641,951
5. 2020 total taxable value. Enter Line 21 of the No-New-Revenue Tax Rate Worksheet.	$465,756,139
6. 2020 no-new tax rate. Enter line 26 of the No-New-Revenue Tax Rate Worksheet or Line 54 of the Additional Sales Tax Rate Worksheet.	0.146543
7. 2020 taxes if a tax rate equal to the no-new-revenue tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	$682,533
8. Last year's total levy. Sum of line 4 for all funds.	$641,951
9. 2020 total taxes if a tax rate equal to the no-new-revenue tax rate is adopted. Sum of line 7 for all funds.	$682,533
10. Tax Increase (Decrease). Subtract Line 8 from Line 9.	$40,582

CITY OF MCLENDON-CHISHOLM

Tax Rate Recap for 2020 Tax Rates

Description of Rate	**Tax Rate Per $100**	**Tax Levy** This is calculated using the Total Adjusted Taxable Value (line 25) of the No-New-Revenue Tax Rate Worksheet	**Additional Tax Levy** Compared to last year's tax levy of 641,799	**Additional Tax Levy** Compared to no-new-revenue tax rate levy of 638,222
Last Year's Tax Rate	0.150000	$653,278	$11,480	$15,056
No-New-Revenue Tax Rate	0.146543	$638,222	$-3,576	$0
Notice & Hearing Limit*	0.146543	$638,222	$-3,576	$0
Voter-Approval Tax Rate	0.156459	$681,408	$39,610	$43,186
Proposed Tax Rate	0.000000	$0	$-641,799	$-638,222

No-New-Revenue Tax Rate Increase in Cents per $100

0.00	0.146543	638,222	-3,576	0
0.50	0.151543	659,998	18,200	21,776
1.00	0.156543	681,774	39,976	43,552
1.50	0.161543	703,550	61,752	65,328
2.00	0.166543	725,326	83,527	87,104
2.50	0.171543	747,102	105,303	108,880
3.00	0.176543	768,878	127,079	130,656
3.50	0.181543	790,654	148,855	152,432
4.00	0.186543	812,430	170,631	174,208
4.50	0.191543	834,206	192,407	195,983
5.00	0.196543	855,982	214,183	217,759
5.50	0.201543	877,758	235,959	239,535
6.00	0.206543	899,534	257,735	261,311
6.50	0.211543	921,310	279,511	283,087
7.00	0.216543	943,086	301,287	304,863
7.50	0.221543	964,862	323,063	326,639
8.00	0.226543	986,638	344,839	348,415
8.50	0.231543	1,008,413	366,615	370,191
9.00	0.236543	1,030,189	388,391	391,967
9.50	0.241543	1,051,965	410,167	413,743
10.00	0.246543	1,073,741	431,943	435,519
10.50	0.251543	1,095,517	453,719	457,295
11.00	0.256543	1,117,293	475,494	479,071
11.50	0.261543	1,139,069	497,270	500,847
12.00	0.266543	1,160,845	519,046	522,623
12.50	0.271543	1,182,621	540,822	544,399
13.00	0.276543	1,204,397	562,598	566,175
13.50	0.281543	1,226,173	584,374	587,950
14.00	0.286543	1,247,949	606,150	609,726
14.50	0.291543	1,269,725	627,926	631,502

- *Notice & Hearing Limit Rate: This is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the voter-approval tax rate or the no-new-revenue tax rate.

Tax Levy:	This is calculated by taking the adjusted taxable value (line 25 of No-New-Revenue Tax Rate Worksheet), multiplying by the appropriate rate, such as the No-New-Revenue Tax Rate and dividing by 100. **For School Districts:** This is calculated by taking the adjusted taxable value (line 34 of the Voter-Approval Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.
Additional Levy Last Year:	This is calculated by taking Last Year's taxable value (line 3 of No-New-Revenue Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of No-New-Revenue Tax Rate Worksheet) and dividing by 100. **For School Districts:** This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.
Additional Levy This Year:	This is calculated by taking the current adjusted taxable value, multiplying by the No-New-Revenue Tax Rate and dividing by 100. **For School Districts:** This is calculated by taking the adjusted taxable value (line 34 of the Voter-Approval Tax Rate Worksheet), multiplying by the No-New-Revenue Tax Rate, dividing by 100 and adding This Year's tax ceiling.
COUNTIES ONLY:	All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

TNT-856 04-20/16

2020 Notice of Tax Rates in CITY OF MCLENDON-CHISHOLM

Property Tax Rates in CITY OF MCLENDON-CHISHOLM. This notice concerns the 2020 property tax rates for CITY OF MCLENDON-CHISHOLM. This notice provides information about two tax rates. The no-new-revenue tax rate would Impose the same amount of taxes as last year if you compare properties taxed in both years. The voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per $100 of property value.

This year's no-new-revenue tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	$638,225
This year's adjusted taxable value (after subtracting value of new property)	$435,518,880
=This year's no-new-revenue tax rate	0.146543/$100
+This year's adjustments to the no-new-revenue tax rate	$0 /$100
=This year's adjusted no-new-revenue tax rate	0.146543/$100

This is the maximum rate the taxing unit can propose unless it publishes a notice and holds a hearing.

This year's voter-approval tax rate:

Last year's adjusted operating taxes (after adjusting as required by law)	$596,160
This year's adjusted taxable value (after subtracting value of new property)	$435,518,880
=This year's voter-approval operating tax rate	0.136885/$100
× (1.035 or 1.08, as applicable) = this year's maximum operating rate	0.141675/$100
+This year's debt rate	0.031679/$100
+The unused increment rate, if applicable	0.000000/$100
=This year's total voter-approval tax rate	0.156459/$100

This is the maximum rate the taxing unit can adopt without an election for voter approval.

Unencumbered Fund Balances:

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Fund	Balance
Unencumbered Funds	$181

2020 Debt Service:

The taxing unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment

CO BOND - FY 2021	$90,000	$56,313	$0	$146,313

	Total required for 2020 debt service	$146,313
-	Amount (if any) paid from funds listed in unencumbered funds	$181
-	Amount (if any) paid from other resources	$0
-	Excess collections last year	$0
=	Total to be paid from taxes in 2020	$146,132
+	Amount added in anticipation that the unit will collect only 99.040000% of its taxes in 2020	$1,416
=	Total Debt Levy	$147,548

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by
Name of person preparing this notice: Kevin R. Passons
Position: Chief Appraiser
Date prepared: July 30, 2020

You can inspect a copy of the full calculations on the taxing unit's website at:
www.rockwallcad.com.

August 4, 2020

(APCM) Altura Purchasing Office Update:

On Jan. 3, 2020 the Texas Comptroller issued revisions to the local sales tax Rule 3.334 that originally implemented changes in local sales tax sourcing of **all electronic orders** from the **locality where orders are received** to the **location where orders are delivered.**

The Comptroller stated the changes would become effective on **April 1, 2020.** The Comptroller proposed these changes in local sales tax sourcing without any authority from the Texas legislature, and without consulting businesses **or Cities** that have relied on where businesses receive orders to generate local sales tax **for more than 40 years**. In addition, the Comptroller did **not** provide individual estimates of the financial impacts to individual Cities related to proposed changes in local sales tax sourcing.

Based on the newly proposed Rule, the Comptroller was flooded with letters, then held hearings in Austin on **Feb. 4, 2020** that allowed the newly proposed local tax Rule to be **deferred for more than 5 months**.

The delay left all businesses, including APCM, in limbo, not knowing whether their local sales taxes on materials would be based on their job site locations or their corporate headquarters location in McLendon-Chisholm.

After receiving and reviewing comments from a significant number of Cities and taxpayers, the Comptroller agreed to **defer any changes in local sales tax sourcing of electronic orders until 10/1/2021**, which is the date most bills from the 2021 Texas legislative session will become effective. The legislative session begins accepting new bills in Nov. 2020, but will begin in earnest during **Jan. 2021 - May 2021**, absent a special session.

In late **May / early June 2020**, the Comptroller finally adopted multiple changes to Rule 3.334 regarding local sales tax sourcing intended to become effective on **April 1, 2020 and deferred the effective date of changes in local sales tax sourcing until 10/1/2021** to allow the Texas legislature to more clearly understand the financial impacts on multiple Cities and taxpayers and make a decision regarding **when OR if** to make the changes the Comptroller adopted, including any options to provide grandfather provisions for specific taxpayers with Chapter 380 Agreements to further defer any changes in local sales tax sourcing.

Since several states other than Texas rely on "destination-based" local sales tax sourcing and since the US Supreme Court (Wayfair Case) required many out-of-state retailers (like Amazon, Wayfair, etc.) to begin collecting sales tax in Texas effective **10/1/2019,** the Comptroller recommended changes for both **"in-state" AND "out-of-state" retailers to move to "destination-based" local sales tax.** The proposed changes created significant push-back from Cities negatively impacted (such as Cities with large distribution centers) and Cities like Roundrock where Dell sources local sales tax to Roundrock for all orders received over the internet for its Texas customers. In the February 4th hearing, Roundrock stated the change in local sales tax sourcing will cost the City more than $35MM in local sales tax, and the City could **not** adjust to that type of reduction in such a short time period. Roundrock has subsequently hired a legal firm to attempt to prevent the change in local sales tax sourcing or at a minimum, grandfather companies and prevent the new Rule from applying to companies with existing Chapter 380 Agreements, such as Dell as well as the 380 Agreement between **APCM and the City of Mc-Lendon-Chisholm which was approved during the 4th quarter of 2019.**

COVID-19

To add even more uncertainty, the "shelter in place" requirements that began in March 2020 have created even more uncertainty regarding adding more administrative tasks to begin filing monthly Texas sales tax returns, especially when the level of home sales has been uncertain.

After the Comptroller finally adopted the changes in late May 2020, APCM subsequently decided to move forward with the implementation as originally anticipated since there will be **no changes in local sales tax sourcing until 10/1/2021 at the earliest**, and since there are legislative options to either prevent the Comptroller from making the changes effective on 10/1/2021 or at a minimum, grandfather companies that have taken the time and expense to setup a retailer operation (like APCM) at their corporate headquarters.

While APCM anticipates beginning to purchase materials for resale by September 1, 2020 the City of McLendon-Chisholm will not likely receive any new local sales tax revenues for up to 80 more days. APCM will not be required to pay September 2020 sales taxes until Oct. 19, then the State consistently delays payment of local sales tax allocations to Cities for **another 50** days which will delay receipt of the initial new local sales tax revenues until roughly Dec. 10, 2020.

SUMMARY

2020 has been a very unusual year for a number of reasons, but the combination of Comptroller-led changes, plus COVID - 19, have created significant uncertainty that have delayed APCM's implementation.

Welcome to TMRS (video transcript)

Introduction to the Texas Municipal Retirement System

If you are a new member of the Texas Municipal Retirement System, welcome! TMRS started in 1948 and is a statewide retirement system that covers approximately 850 cities and over 105,000 members and more than 45,000 retirees (as of 12/31/13).

Each City Creates a Retirement Plan for its Employees

Each city in TMRS chooses options to create a retirement plan for its employees.

The options that a city chooses include the amount their employees contribute to TMRS, the percentage that the city matches those contributions, the requirements for retirement eligibility, and other features, like Cost of Living Adjustments for retirees.

Starting Membership in TMRS

When you begin employment with a TMRS city, you automatically become a member of TMRS, if the position you are working in normally requires that you work at least 1,000 hours a year.

Member Deposits

Once you become a member, you will contribute a percentage of your salary to TMRS on a pre-tax basis. This means that the money contributed to the account has not been taxed yet. You won't pay taxes on your deposits until you retire and receive a monthly benefit payment, or until you leave employment and withdraw your deposits from TMRS.

Your city will withhold 5%, 6%, or 7% of your wages, to be sent to TMRS every month. Said another way, that's 5 cents, 6 cents, or 7 cents of every dollar of your wages that will be set aside for your retirement. The money is deposited in a TMRS account under your name, much like a savings account, and will receive interest every year.

Member Deposits and Interest

TMRS invests all your deposits, so you do not have to make any investment choices when you become a member. TMRS' investments are managed by our investment staff and consultants, whose purpose is to grow the fund to benefit all members. From the fund's investment earnings, you will receive at least 5% interest every year based on your January 1st balance of that year. This interest compounds annually.

City Matching

Your city chooses to match your member deposits and interest at a one to one (1:1), one-and-a-half to one (1:1.5), or two to one basis (2:1). For example, if you have $100,000 in your personal account balance at the time you retire, the city will match that amount with either $100,000, $150,000, or $200,000, depending on the matching ratio that they offer. The city begins paying for this match from the time you become a member in the system, but you will only receive the city's matching funds as part of your benefit when you retire.

Service Credit

One month of service credit equals one month of work. You earn one month of service credit for every month you work in a city that participates in TMRS. Depending on your city's plan, you may be eligible to add other service credit to your account, including credit for previous government employment in the USA, for any service in TMRS that you previously forfeited by receiving a refund, or for any active duty military service. To see your city's plan, you can consult the City Plan Provisions page on our website. If your city has adopted these provisions, you must apply for this additional service credit, so contact your city or TMRS to get the necessary forms.

What Is Vesting?

In most TMRS cities, you are vested when you earn five years, or 60 months, of service credit. Some TMRS cities require ten years of service credit to be vested. Vesting is a very important step toward earning your retirement benefit. Once you are vested and are at least 60 years old, you may retire and receive a monthly retirement benefit for the rest of your life.

What Happens if I Leave my City Job after I'm Vested?

If you have vested, then as long as you leave your member deposits and interest with TMRS, and don't take them out in a refund, you retain your right to a retirement benefit. Your TMRS deposits will continue to earn interest even if you leave work with your city, and once you have vested and are at least 60 years old, you can retire from TMRS. As mentioned before, you can only receive the city's matching funds if you retire and receive a retirement benefit.

Survivor Benefits

When you become a member of TMRS, you must choose a beneficiary. This is a person who will receive benefits due from TMRS if you pass away. As you continue to work for the city, become vested, or become eligible to retire, it is very important that you always check to make sure your beneficiary choice is up to date. When you become vested, TMRS will ask you to complete a form designating a beneficiary for your vested benefit. Completing this form is important to help ensure that your benefits are paid according to your wishes in the event of your death.

Why Must Beneficiary Information Be Kept Up-to-Date?

It is especially important to keep your beneficiary selections updated. If you die before you retire, your beneficiary can make certain choices to receive payments from your retirement account. You can designate anyone as your beneficiary, including a spouse, a child, your estate, a trust, or any other person. You can elect to have up to three primary beneficiaries and three alternate beneficiaries. The alternate beneficiary will only receive a benefit payment if both you and your primary beneficiary die and there are still funds left in your personal TMRS account balance. Please note that TMRS cannot make payments to minors, so if you designate a minor as a beneficiary, we recommend you also designate a custodian to receive the payments on the minor's behalf. This can be done on all of the beneficiary designation forms.

Spousal Consent

If you are married and vested, you must receive written consent from your spouse if you want to name someone other than, or in addition to, your spouse as your primary beneficiary. This consent can only be given by completing the "spousal consent" section on the appropriate beneficiary form.

When Are You Eligible to Retire?

Every city allows employees to retire their TMRS account if they meet either of two eligibility requirements: First, you have to have either five or ten years of service and be at least 60 years old. In most TMRS cities, you become eligible to retire when you have at least five years of service credit, but some cities require ten years of service. The second eligibility requirement is not connected to age. If you have at least 20 or 25 years of service, you can retire your TMRS account at any age. Most cities only require 20 years of service, but some require 25 years of service for eligibility. Your eligibility depends upon the options that your city has adopted.

What Makes Up Your Retirement Benefit?

When you retire with TMRS, you receive a payment every month. These payments will continue for as long as you live.The amount of your monthly retirement payment is calculated by combining all of your member deposits plus interest, the matching funds from the city, a future 5% interest rate, and possibly other service credits that your city has adopted as part of their plan. This collection of funds is then divided by your remaining life expectancy to determine the amount that will be paid to you each month. If you choose a monthly payment plan option that includes a lifetime payment for your beneficiary, this calculation will also include their life expectancy.

Choosing a Retirement Benefit

When you retire, you have seven different monthly payment plans to choose from. All of these plans guarantee you a monthly retirement payment for as long as you live. Three of the plans allow for a beneficiary to receive a lifetime payment, based on a percentage of your payment, after you pass away. Three others offer a guaranteed term period of payments to your beneficiary, and the seventh plan pays for your lifetime only. In addition to the seven monthly payment plans, you will have the option at retirement to receive a partial lump sum distribution (PLSD) as part of your retirement benefit. The seven plans and the partial lump sum distribution are explained more thoroughly in your TMRS Benefits Guide and in a training video on the TMRS website.

Additional Benefits: Supplemental Death Benefits

The Supplemental Death Benefit is an optional provision that provides an additional death benefit to current employees and possibly retirees when they pass away. If your city has adopted the Supplemental Death Benefit provision and you are an active employee, your beneficiary will receive a death benefit equivalent to your annual salary at the time of your death. Some cities also offer the Supplemental Death Benefit to retirees. For retirees, this benefit is a one-time payment of $7500.

Additional Benefits: Disability Retirement

All cities in TMRS offer an Occupational Disability retirement option. Under this option, if you become disabled and are unable to perform the duties of your job, you may become eligible to retire immediately. The disability can be mental or physical and must be considered permanent. The retirement benefit for anyone who retires under Occupational Disability is calculated exactly the same way as a normal service retirement. Your monthly payment will be based on your TMRS deposits and interest, other credits, and the city's matching funds at the time you retire. You can find more information about the Occupational Disability Retirement option in your TMRS Benefits Guide.

Withdrawing Your Funds Before You Retire

You cannot withdraw any of your member deposits and interest unless you stop your employment with all cities in TMRS. There are no loan provisions in TMRS, and there are no ways to have access to the money in the account while you are still working for the city.

If you leave your job, you may choose to withdraw your member deposits and interest, and TMRS will refund that amount. Remember, you will have to immediately pay taxes on the refund unless you transfer the money to another qualified retirement plan, like an employer-sponsored 401(k) plan, a 457 plan, or an IRA. When you stop employment with all TMRS cities and take a refund, you will not receive any of the city's matching funds. This is the case whether or not you are vested in TMRS.

Information about Your Account

It's easy to get information on your account with TMRS. You can use MyTMRS to look up your account online. MyTMRS is available from the home page of www.tmrs.com. MyTMRS provides secure access to your information and requires you to register and provide a password and security questions. In addition to MyTMRS, every year TMRS mails an annual statement of your account to your home. You can also call our toll-free number — 800-924-8677 — and have your questions answered by one of our analysts at the TMRS call center.

Congratulations on your membership in TMRS. This has been an overview of the features of your retirement system. If you have any questions, please contact your city, call us toll-free, or visit the TMRS website.

Plan Change Study

GRID 2021
For Informational Purposes Only
Effective Date - January 1, 2021
Report Date - June 29, 2020

00833 McLendon-Chisholm

		Proposed Plans	
Plan Provisions	**Current**	**1**	**2**
Deposit Rate	5.00%	5.00%	5.00%
Matching Ratio	1 to 1	1.5 to 1	2 to 1
Updated Service Credit	0%	0%	0%
Transfer USC **	No	No	No
Annuity Increase	0%	0%	0%
20 Year/Any Age Ret.	Yes	Yes	Yes
Vesting	5 years	5 years	5 years
Contribution Rates	**2021**	**2021**	**2021**
Normal Cost Rate	1.91%	3.53%	5.16%
Prior Service Rate	-0.34%	-0.32%	-0.30%
Retirement Rate	**1.57%**	**3.21%**	**4.86%**
Supplemental Death Rate	0.12% (A & R)	0.12% (A & R)	0.12% (A & R)
Total Rate	**1.69%**	**3.33%**	**4.98%**
Unfunded Actuarial Liability	$-44,490	$-41,648	$-38,988
Amortization Period	12 years	12 years	12 years
Funded Ratio	130.0%	127.5%	125.3%
Phase-In Total Rate	N/A	N/A	N/A

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 0 eligible transfer employees on the valuation date.

1/1

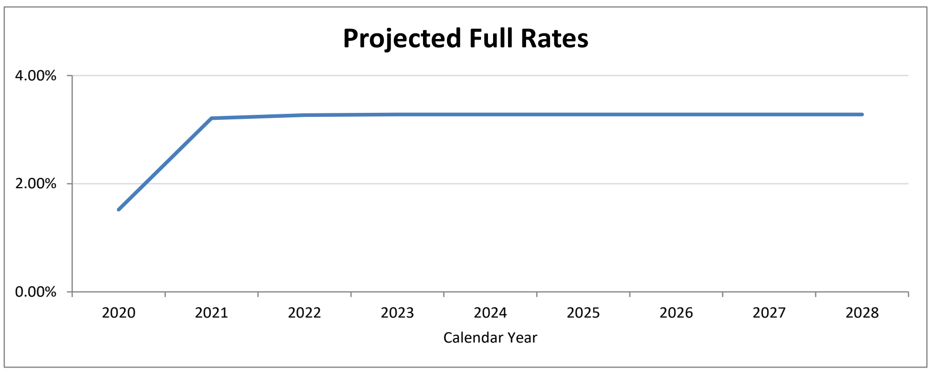
Projection of Valuation Results - Pension Only

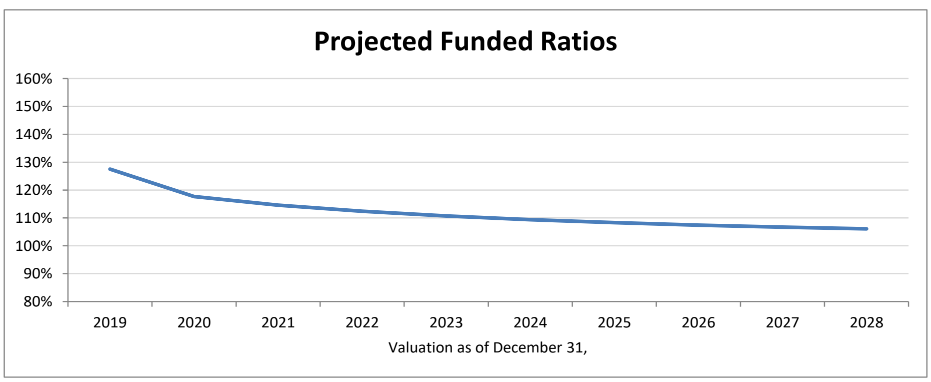
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	5.00%	USC	No USC
Employer Match Rate	1.5 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	3.21%	3.27%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%
Est. Contribution	7,633	16,564	17,337	17,869	18,360	18,865	19,384	19,917	20,464
Funded Ratio	127.5%	117.7%	114.6%	112.4%	110.7%	109.4%	108.3%	107.4%	106.7%





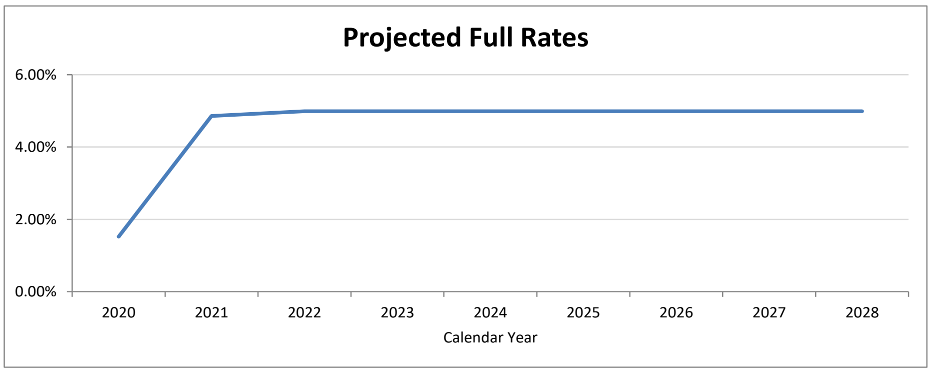
Projection of Valuation Results - Pension Only

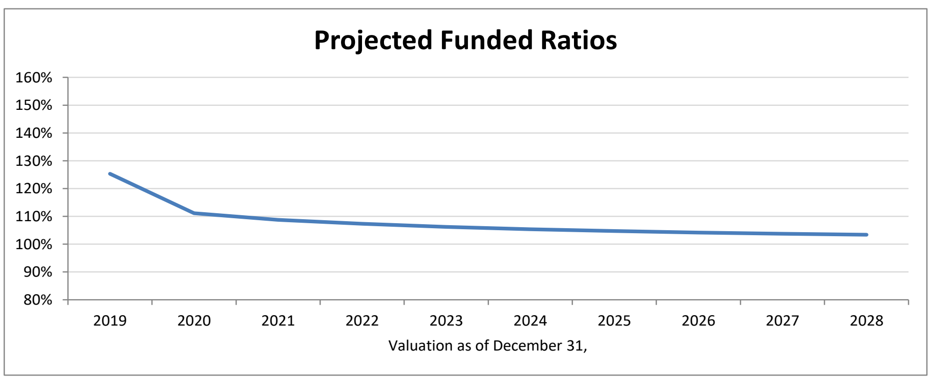
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	5.00%	USC	No USC
Employer Match Rate	2 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	4.86%	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%
Est. Contribution	7,633	25,078	26,457	27,184	27,932	28,700	29,489	30,300	31,133
Funded Ratio	125.3%	111.1%	108.8%	107.3%	106.2%	105.4%	104.7%	104.2%	103.7%





Plan Change Study

GRID 2021
For Informational Purposes Only
Effective Date - January 1, 2021
Report Date - June 29, 2020

00833 McLendon-Chisholm

		Proposed Plans		
Plan Provisions	**Current**	**1**	**2**	**3**
Deposit Rate	5.00%	6.00%	6.00%	6.00%
Matching Ratio	1 to 1	1 to 1	1.5 to 1	2 to 1
Updated Service Credit	0%	0%	0%	0%
Transfer USC **	No	No	No	No
Annuity Increase	0%	0%	0%	0%
20 Year/Any Age Ret.	Yes	Yes	Yes	Yes
Vesting	5 years	5 years	5 years	5 years
Contribution Rates	**2021**	**2021**	**2021**	**2021**
Normal Cost Rate	1.91%	2.30%	4.25%	6.21%
Prior Service Rate	-0.34%	-0.34%	-0.31%	-0.29%
Retirement Rate	**1.57%**	**1.96%**	**3.94%**	**5.92%**
Supplemental Death Rate	0.12% (A & R)	0.12% (A & R)	0.12% (A & R)	0.12% (A & R)
Total Rate	**1.69%**	**2.08%**	**4.06%**	**6.04%**
Unfunded Actuarial Liability	$-44,490	$-43,218	$-40,003	$-36,853
Amortization Period	12 years	12 years	12 years	12 years
Funded Ratio	130.0%	128.9%	126.1%	123.6%
Phase-In Total Rate	N/A	N/A	N/A	N/A

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 0 eligible transfer employees on the valuation date.

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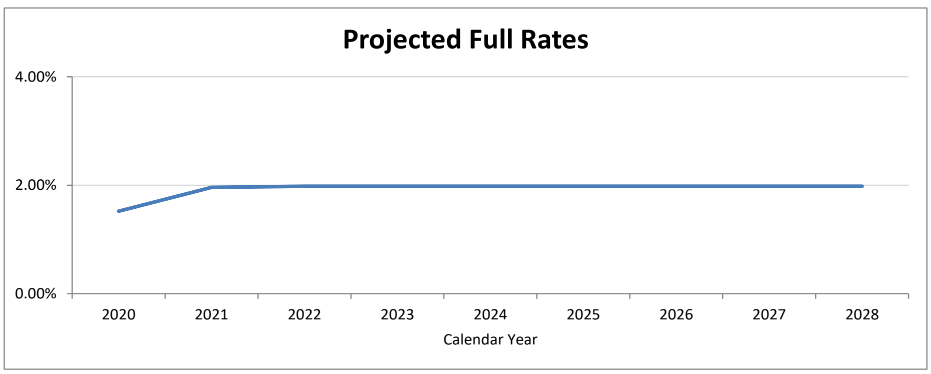
Projection of Valuation Results - Pension Only

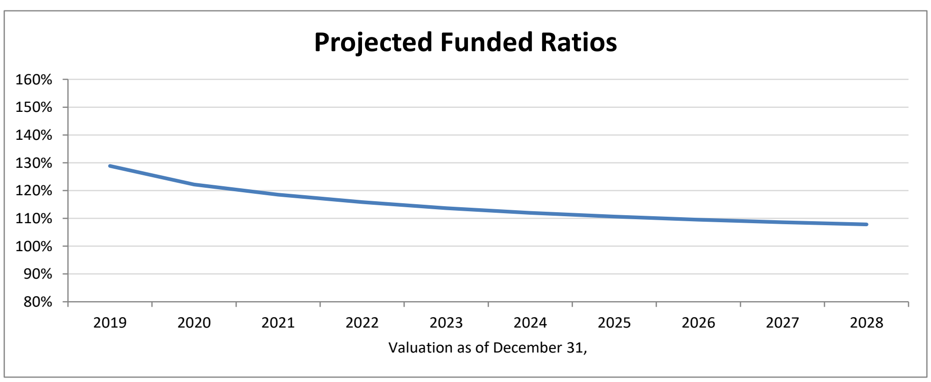
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	6.00%	USC	No USC
Employer Match Rate	1 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	1.96%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
Est. Contribution	7,633	10,114	10,498	10,787	11,083	11,388	11,701	12,023	12,354
Funded Ratio	128.9%	122.2%	118.5%	115.8%	113.7%	112.0%	110.6%	109.5%	108.6%





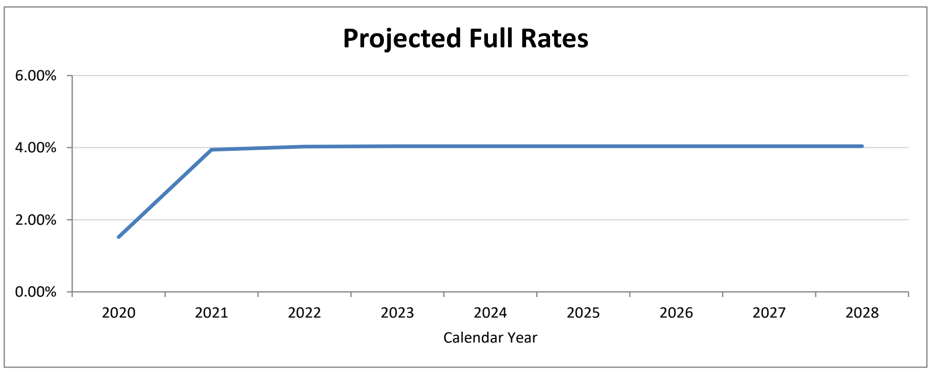
Projection of Valuation Results - Pension Only

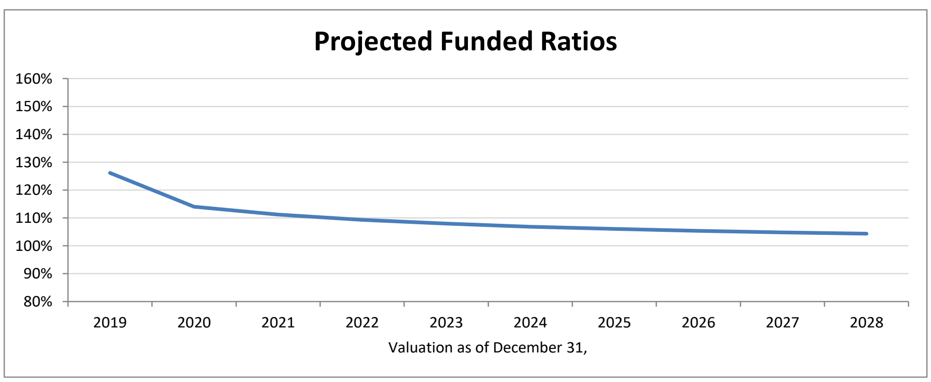
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	6.00%	USC	No USC
Employer Match Rate	1.5 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	3.94%	4.03%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%
Est. Contribution	7,633	20,331	21,367	22,009	22,614	23,236	23,875	24,532	25,206
Funded Ratio	126.1%	114.0%	111.2%	109.3%	107.9%	106.9%	106.0%	105.4%	104.8%





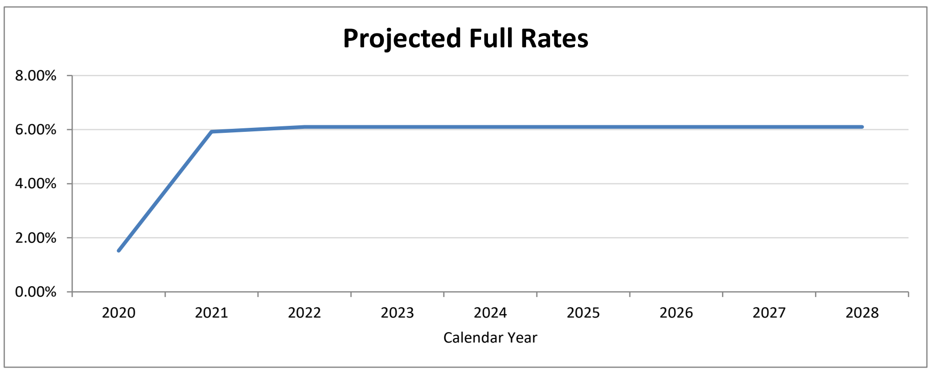
Projection of Valuation Results - Pension Only

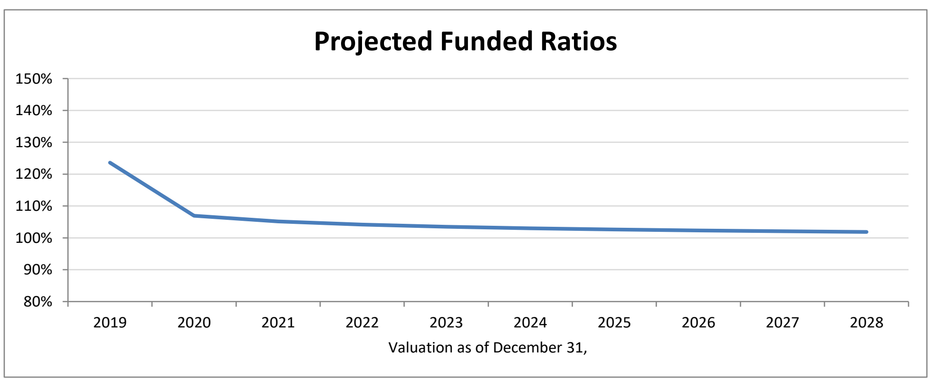
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	6.00%	USC	No USC
Employer Match Rate	2 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	5.92%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%
Est. Contribution	7,633	30,547	32,342	33,231	34,145	35,084	36,049	37,040	38,059
Funded Ratio	123.6%	106.9%	105.1%	104.2%	103.5%	103.0%	102.6%	102.3%	102.0%





Plan Change Study

GRID 2021
For Informational Purposes Only
Effective Date - January 1, 2021
Report Date - June 30, 2020

00833 McLendon-Chisholm

		Proposed Plans		
Plan Provisions	**Current**	**1**	**2**	**3**
Deposit Rate	5.00%	7.00%	7.00%	7.00%
Matching Ratio	1 to 1	1 to 1	1.5 to 1	2 to 1
Updated Service Credit	0%	0%	0%	0%
Transfer USC **	No	No	No	No
Annuity Increase	0%	0%	0%	0%
20 Year/Any Age Ret.	Yes	Yes	Yes	Yes
Vesting	5 years	5 years	5 years	5 years
Contribution Rates	**2021**	**2021**	**2021**	**2021**
Normal Cost Rate	1.91%	2.69%	4.97%	7.26%
Prior Service Rate	-0.34%	-0.33%	-0.30%	-0.27%
Retirement Rate	**1.57%**	**2.36%**	**4.67%**	**6.99%**
Supplemental Death Rate	0.12% (A & R)	0.12% (A & R)	0.12% (A & R)	0.12% (A & R)
Total Rate	**1.69%**	**2.48%**	**4.79%**	**7.11%**
Unfunded Actuarial Liability	$-44,490	$-42,017	$-38,279	$-34,692
Amortization Period	12 years	12 years	12 years	12 years
Funded Ratio	130.0%	127.8%	124.7%	121.9%
Phase-In Total Rate	N/A	N/A	N/A	N/A

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 0 eligible transfer employees on the valuation date.

1/1

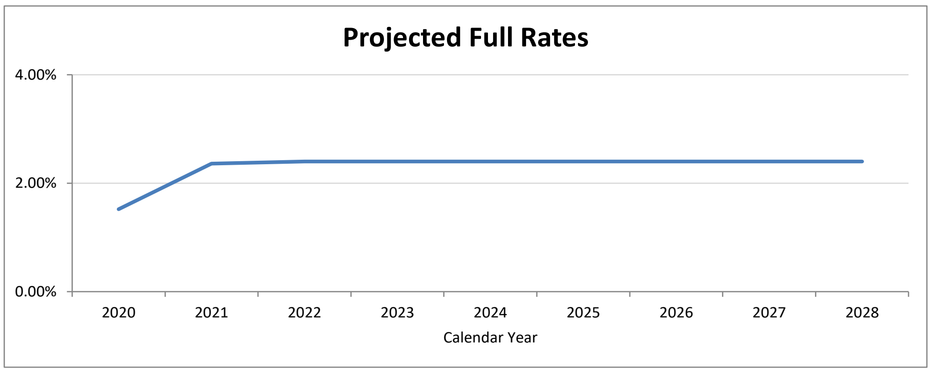
Projection of Valuation Results - Pension Only

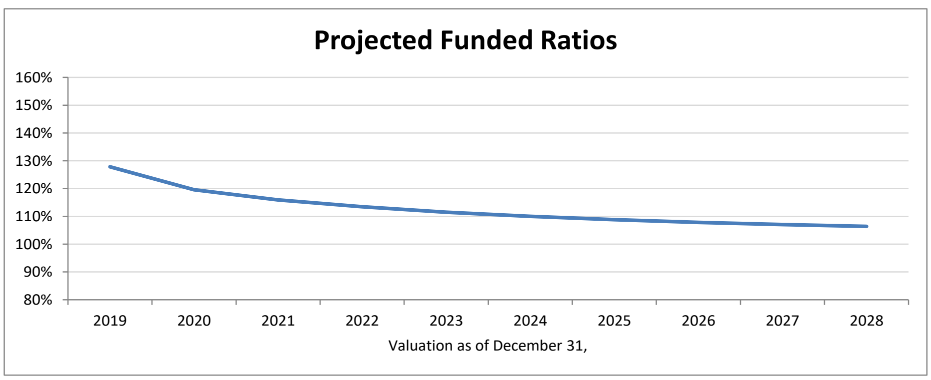
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	7.00%	USC	No USC
Employer Match Rate	1 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	2.36%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Est. Contribution	7,633	12,178	12,725	13,075	13,434	13,804	14,183	14,573	14,974
Funded Ratio	127.8%	119.6%	115.9%	113.4%	111.5%	110.0%	108.8%	107.8%	107.0%





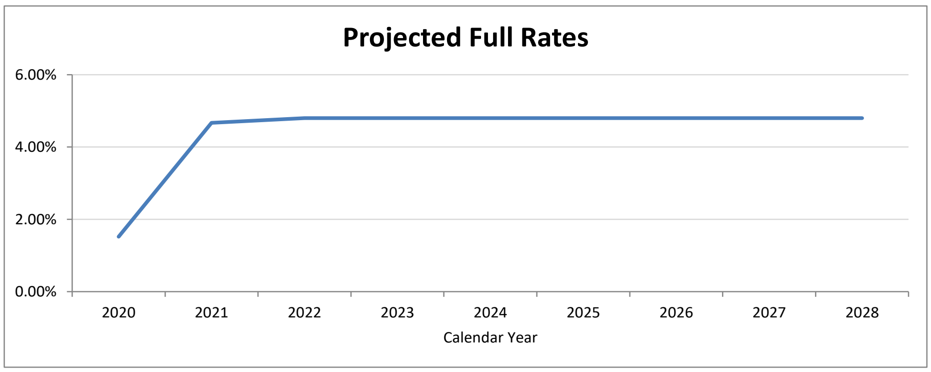
Projection of Valuation Results - Pension Only

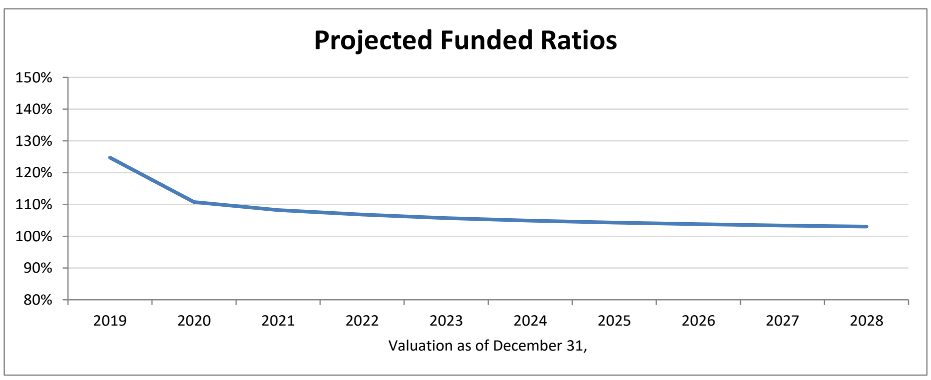
833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	7.00%	USC	No USC
Employer Match Rate	1.5 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	4.67%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Est. Contribution	7,633	24,097	25,449	26,149	26,868	27,607	28,366	29,146	29,948
Funded Ratio	124.7%	110.7%	108.2%	106.8%	105.7%	104.9%	104.3%	103.8%	103.4%





Projection of Valuation Results - Pension Only

833, McLendon-Chisholm

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	7.00%	USC	No USC
Employer Match Rate	2 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Projection Results

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Full Rate	1.52%	6.99%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%
Est. Contribution	7,633	36,069	38,227	39,278	40,358	41,468	42,609	43,780	44,984
Funded Ratio	121.9%	103.2%	102.0%	101.6%	101.4%	101.2%	101.0%	100.9%	100.8%